Revision in prices of petroleum products

2279. SHRIMATI S.G. INDIRA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the oil companies have asked Government to revise petrol and diesel prices following the levy of additional road cess and changes in excise duty structure in the budget;

(b) if so, the details thereof; and

(c) whether it is also a fact that the new prices will the effective from 1st April, 2005?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) The Oil Marketing Companies have requested an increase in petrol and diesel prices on account of the unprecedented, sharp and spiraling increase in the international oil prices, especially during the current month; and changes in tariff structure on petrol and diesel in the Union Budget for 2005-06, in including increase in the levy of road cess by 50 paise per litre on each product; and fuel quality upgradation requirements in line with the Auto Fuel Policy.

The matter is under consideration of the Government.

Review of policy of supply of ethanol blended petrol

2280. SHRI R.P. GOENKA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the programme for mandatory blending of ethanol in petrol, aimed at cutting the country's crude oil import dependence, introduced in some identified States, suffered a set back during 2003-04 due to decline in sugar production and non-availability of molasses in sufficient quantity to support the programme;

(b) if so, the results of review of the programme undertaken, if any; and

(c) the fresh initiative taken/being taken to ensure sustained supply of ethanol, at reasonable prices so as to maintain the supply of ethanol-blended petrol in the identified States and subsequently in other parts of the country as well?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c): Since late 2003 and in 2004, the availability of ethanol has been scarce and erratic in the States of Maharashtra, Goa, Gujarat, Karnataka and Andhra Pradesh. The price of ethanol also rose significantly at all locations.

After discussions with State Governments, the Government has notified *vide* GSR 705(E) dated 27.10.2004 that five per cent ethanol-blended petrol, as per Bureau of Indian Standard specification, shall be sold in notified States and Union Territories if the price of sourcing indigenous ethanol for supply of ethanol-blended petrol is comparable to the price of indigenous ethanol for alternative uses and the delivery price of ethanol at the location is comparable to the import parity price of petrol at that location and the indigenous ethanol industry is able to maintain the availability of ethanol for ethanol-blended petrol at such prices. The Oil Marketing Companies (OMCs) have invited tenders and, *prima-facie,* the response of the ethanol industry has been encouraging. In a meeting of the Ministry of Petroleum and Natural Gas with the ethanol industry and the oil marketing companies on 16.3.2005, the industry has assured the Ministry and OMCs that they are in a position to maintain a sustained supply of the required quantities of ethanol. A Memorandum of Understanding in this regard is under preparation.

Sharing of profit of petroleum

2281. SHRI T.T.V. DHINAKARAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that profit of petroleum earned by the Centre from river basin exploration is shared in the ratio of 50:50 between the Centre and the States;

(b) whether Government propose to increase the profit ratio of States in view of the financial crunch faced by the States;

(c) whether it is also a fact that the matter of revision of profit ratio is under consideration; and

(d) if so, by when a decision is likely to be taken on the matter?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (d) The Twelfth Finance Commission has